GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:7881
ANSWERED ON:17.05.2002
GROWTH RATE OF INFRASTRUCTURE SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have reviewed the performances of the key infrastructure industries;

(b) if so, the performance of each key infrastructure industry during the last three years;

(c) the industry-wise growth rate of infrastructure sector during the year 2001-2002 against the target fixed ;

(d) whether there was any negative growth in any of the industry under the sector;

(e) if so, the reasons therefor;

(f) the steps being taken to increase the growth rate of infrastructure sector in the coming years; and

g) the targets set for the current financial year ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Dr Raman Singh)

(a) and (b): The Government monitors the performance of six infrastructure industries namely, Crude petroleum, Petroleum refinery products, Coal, Cement, Finished steel and Electricity on monthly basis. The performance of these six infrastructure industries measured in terms of growth rates (%) achieved during the last three years are given below:

Industry	1999-2000	2000-01	2001-02
Crude Petroleum	-2.4	1.5	-1.2
Petroleum refinery product	25.4	20.3	3.8
Coal	3.1	3.5	4.2
Cement	14.2	-0.9	7.4
Finished Steel	13.9	7.7	2.5
Electricity	7.2	3.9	3.1
Overall	9.1	5.1	3.0

(c): The industry-wise growth rates of infrastructure sector against the target fixed during 2001-02 are given below:

Industry	Unit	Target (2001-02)	Achievement (2001-02)
Crude Petroleum	Million tonnes	32.5	32.0
Petroleum refinery product	Million tonnes	113.5	99.8
Coal	Million tonnes	325.6	322.6
Cement	Million tonnes	105.0	106.9
Finished Steel	Thousand tonnes	34782.0	31066.4
Electricity	Billion units	539.50	515.3

Source: M/o Planning and Programme Implementation

(d) and (e): The Crude petroleum sector has registered growth of -1.2 per cent during 2001-02 as against 1.5 per cent achieved during 2000-01. The reasons for this declining trend are mainly unit specific and include socio-environment problems, reservoir problems, less gains from exploratory wells, fire, line leakages, increase in water cut, bandhs and miscreant activities.

(f): The government has taken following initiatives to improve performance of these sectors:

- Launch of PM`s mega Road projects, which will boost demand for cement and steel industries.

- The Government has announced guidelines for allowing 100% FDI in the development of integrated townships and regional urban infrastructure. This is expected to boost housing/real estate sector and also boost production in cement and steel sectors.

- Constitution of a National Campaign Committee to promote steel consumption through development of markets especially in rural areas.

- Tax holiday for infrastructure development and tax incentives for housing sector have been announced.

- The Government has signed MOU with States to reform SEBs, and initiated steps, which include time bound Programme for installation of 100% metering, energy audit at all levels, specific programmes for reduction and eventual elimination of power theft.

- Accelerated Power Development and Reform Programme with an enhanced plan allocation of Rs 3500 crores has been announced in the Union Budget 2002-03 with a renewed focus on transmission and distribution.

- Administered Price Mechanism (APM) for petroleum products has been phased out. The pricing of petroleum products will now be market determined.

(g): The targets for the current financial year (2002-03) are given below:

Industry	Target
Crude Petroleum	33.2 Million tonnes@
Petroleum refinery product	116.8 Million tonnes+@
Coal	335.70 Million tonnes
Cement	115.45 Million tonnes
Finished Steel	The Govt. does not fix targets for production of steel in the country. These are fixed by the respective steel plants.
Electricity	545.6 Billion Units

+ Refinery crude throughput
@ tentative targets